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UNCLAS SECTION 01 OF 02 NDJAMENA 000529

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SUBJECT: CHAD: TAIWAN FOREIGN MINISTER CONVENES AFRICA
AMBASSADORS

REF: AIT TAIPEI 901

11. (SBU) Summary: Taiwan's Foreign Minister told the Ambassador April 9 that he was bringing his Africa ambassadors together in Ndjamena for a strategy session on how to cope with China's ratcheted-up efforts to expand influence in Africa and squeeze Taiwan out. Taiwan's assistance programs to the six countries with which it continued to have diplomatic relations were very expensive, but Taiwan had now lost Senegal and it was imperative to lose no others. Otherwise, Taiwan perceived that its sovereignty would be put in question. End Summary.

12. (SBU) Ambassador Wall met Taiwan Foreign Minister James Huang April 9, at the start of his three-day visit to Chad. Huang was accompanied by Taiwan's Ambassador Soong Tzyy-Jeng and Director-General of African Affairs Chen-hsiung Lee. Huang said that the principal purpose of his visit to Chad was to convene a strategy session with his chiefs of mission in Africa (ambassadors in Swaziland, Malawi, Gambia, Burkina Faso, Sao Tome, and Chad, and representatives in South Africa and Nigeria). The PRC, having formal diplomatic relations with 47 countries in Africa, was making a serious effort to expand its influence in Africa and to undermine Taiwan's relationship with its African allies. Last year PRC had taken Senegal, and its present Africa strategy called for expending tens of millions of additional dollars to achieve its objectives.

13. (SBU) Huang asked the Ambassador if Washington were concerned at PRC's expansion in Africa. The Ambassador said that the United States was watching the situation closely, concerned that China's expansion in Africa take place in a way that would be good for Africa and the world. He asked how the minister saw it playing out in Chad. Huang said that China was active in Chad as in every other country where Taiwan had a presence. In Chad, for example, it had tried to achieve an agreement with the government on oil exploration.

¶4. (SBU) The Ambassador noted the great expense of Taiwan's involvement in Africa; in Chad, he remarked, Taiwan had built some of Chad's few paved roads, the new bridge over the Chari River, hospitals, and large rice and fruit projects in a country with little modern agricultural infrastructure, and it had an oil company exploring for oil. Huang said that Taiwan's programs in Africa were indeed expensive. The issue, however, was maintaining Taiwan's international posture. If the number of countries with which Taiwan had diplomatic relations dropped to single digits or even 12-15, Taiwan's sovereign status would be undermined and give weight to China's claim that Taiwan was a mere province of China.

¶5. (SBU) Huang noted that the latest round of the World Trade Organization meeting in December in Hong Kong had passed a resolution requiring developed countries to open their markets to lesser-developed countries by 2008 by removing 97 percent of trade barriers. This opening up of trade possibilities with Africa would, he hoped, offer the Taiwanese private sector an opportunity to make inroads in Africa. Meanwhile, Taiwan would continue to maintain its present assistance programs with its African allies, focusing on infrastructure, public health, and education.

¶6. (SBU) Huang said that he found information provided by the Ambassador about Chad's tax windfall from Esso, lead operator and investor in Chad's oil consortium, a "very important element." He said that Taiwan's oil company CPC had an exploration contract (reftel) and had originally believed from President Deby that it had a good deal, but the environment in Chad had proved to be extremely difficult. With the oil contract, political considerations were

NDJAMENA 00000529 002 OF 002

involved, but "basically" it was a commercial arrangement. After long negotiations, CPC had come to an arrangement that it hoped could become profitable.

¶7. (SBU) The Ambassador noted that an area of potential cooperation between Taiwan and Chad was textiles. The U.S. was close to approving a textile visa to allow Chad to bring in fabric from outside, process it here, and export it to the United States. Huang said that Taiwan was not yet doing much business in Chad. Chen-hsiung Lee said that business with Burkina Faso was coming along and in Swaziland there were now 25 Taiwanese factories, providing 2000 job opportunities and contributing 40 percent of national income. However, Chad was landlocked and the cost to bring containers overland was prohibitive.

¶8. (SBU) Asked to provide an overview of the situation in Chad, the Ambassador noted Chad's many difficult challenges -- rebels supported by Sudan, refugees and IDPs, flawed elections, a contretemps with the World Bank amid unexpected tax receipts from Esso, deep ethnic and religious divisions, rampant corruption, abject poverty -- and concluded that in the face of so many challenges Chad needed friends such as Taiwan and, in particular, it needed those friends to help it move in the direction of better governance. He said he had discussed with Ambassador Soong how Taiwan could serve as a model for Chad. The countries were of course very different, but Taiwan had moved peacefully from being a one-man authoritarian state to a real democracy in a short period of time; it could show Chad the way toward democratic transition. Huang said that if there were ways that Washington and Taipei could work together to promote good governance in Latin America and Africa, Taiwan would be glad to do so. Though Taiwan only had diplomatic relations with six countries in Africa, it wanted to play a constructive role in those countries. He would talk to the U.S. representative in Taipei and propose regular U.S.-Taiwan discussions on Latin American and Africa.

¶9. (SBU) The Ambassador noted that President Deby had visited Taipei in January 2005 and asked whether Deby had family or investments in Taiwan or had visited doctors there.

Chen-hsiung Lee answered in the negative -- no family, no investments, no medical visits -- but Deby had been to Taiwan several times. He said that Taiwan would appreciate his embassy's maintaining close security coordination with the U.S. Embassy. The Ambassador said he was happy to comply, but suggested close contact also with the French, who had assets on the ground and would be better able to be helpful in the event of emergency.

¶10. (SBU) Comment: Huang's visit underscores the high stakes for Taiwan in maintaining its diplomatic relationship with Chad. Those interests will unfortunately constrain how far it will be willing to go in promoting better governance by its African friends. Huang's comments also betray worries about how President Deby's uncertain future could affect that relationship. End Comment.
WALL